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OFFICE OF
NATIONAL ESTIMATES

MEMORANDUM

Prospects for European Defense Cooperation

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6 September 1972

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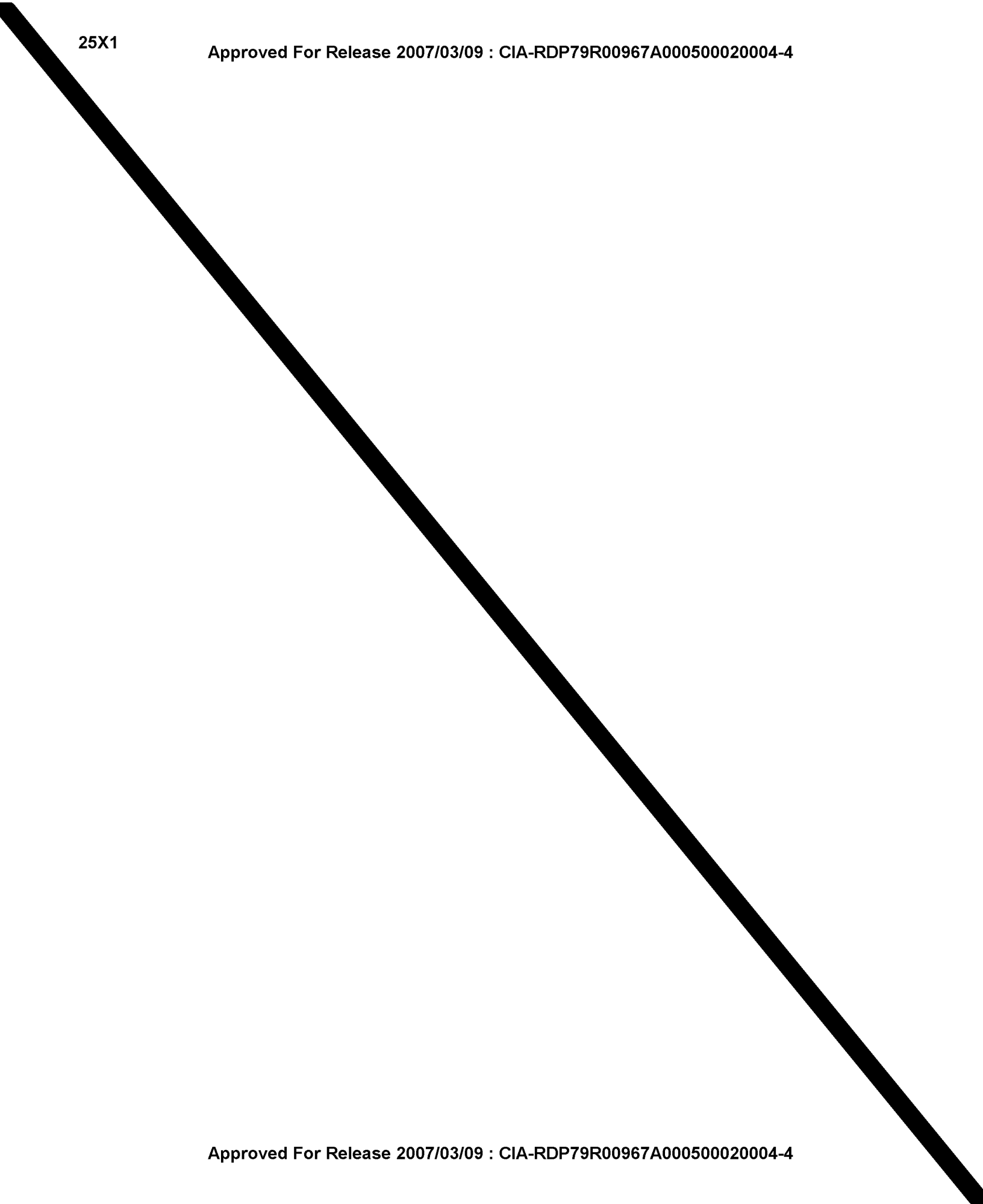

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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

6 September 1972

MEMORANDUM*

SUBJECT: Prospects for European Defense Cooperation

Certain developments affecting Western Europe's security -- the proposed Conference on European Security, growing sentiment in the US for cutting American troops in Western Europe and plans for a volunteer army, and steps in bilateral US-Soviet rapprochement -- are making many West Europeans think again about their own defense. This memorandum surveys the prime motives behind efforts toward European defense cooperation and comments on prospects for success in several possible areas. It concludes that, while no dramatic breakthrough toward a European Defense Community is likely in the near future, some of the steps now being taken could lay the groundwork for more radical departures, should the political will ever develop.

Two considerations underlie present West European moves toward possible defense ventures, both of which involve their relations with the United States. First, the West Europeans are looking for ways to show enough cooperative burden sharing to convince the US Congress and electorate that Europe "deserves" continued US military protection, but not so much that the US will feel free to reduce its own efforts. At the same time they are trying to join forces in order to protect West European interests in East-West negotiations and especially to influence US positons in bilateral US-USSR decisions on, for instance, strategic arms limitations. Thus the subject of defense cooperation among the West Europeans is closely related to the forthcoming NIE on "Problems in US-West European Relations"; we hope that this paper will be a contribution to intelligence community thinking on that broader subject.

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* *This memorandum was prepared by the Office of National Estimates and coordinated with the Office of Current Intelligence and the Office of Strategic Research, who are in general agreement with its judgments.*

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1. Proposals for West European defense cooperation predate the formation of NATO itself and have provided a recurring subtheme throughout the history of the Alliance. Most recently, the projected enlargement of the European Community and widespread concern about the future US military role in Europe have combined to spark new interest in more specifically European defense efforts. Each of the ideas being bruited about reflects a variety of motives -- some of which contradict each other and some of which even seem to contradict themselves. And the obstacles to any major initiative so far have clearly outweighed the incentives. Nonetheless, the subject continues to occupy a good deal of high-level European attention and provides some interesting insights into how the Europeans view the development of their own Community and perceive its relationship with the United States.

Motives

2. None of the principal motives for further European defense cooperation is new, although present circumstances give some an added sense of urgency. The prospect of British entry into the European Community has revived interest in the whole spectrum of integrationist possibilities. Many European activists apparently feel that an initiative in the defense field,

with its special visibility to the general public, could both encourage and take advantage of a recently revived sense of Community "movement". And the prospect of a West European industrial free-trade area, together with other steps toward the coordination of Community economic policies, strengthens interest in ventures for the joint production of weapons even among those who are unmoved by dreams of supranationalism.

3. There has also been of late a coincidence of national interests which inclines several West European governments to favor closer defense cooperation in theory, even while they differ over specific proposals. The present government in Bonn is eager for some visible show of West Germany's continued Western attachments in order to refute critics of Willy Brandt's "excessive" preoccupation with Eastern Europe. If the Christian Democrats should win the elections expected this autumn, they would be especially eager to make a show of reorienting Germany "westwards". In Britain, Prime Minister Heath and other key figures have devoted years to getting into the Community and now are canvassing possible initiatives in order to make the most of the organization and Britain's role in it. Even in France President Pompidou, despite his recent domestic political setbacks, almost

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certainly still hopes to stake out a personal position both more European and more Atlanticist than ever advocated by de Gaulle.

4. The most complex and even contradictory motives vis-a-vis European defense cooperation have to do with the roles of France, West Germany, and the United States. Many advocates of new European ventures see in them a way of luring France back into at least de facto coordination with NATO's integrated military structure. But France's interest in any European initiatives would not be as a back door into NATO's military command but as a way to promote a specific European "identity", one clearly separate from that of the United States but willing to cooperate with it. (The French themselves have trouble defining just how that distinction should work in practice.) But even if France could name its terms, any specific West European arrangement free from NATO's command structure, and thus from continued American "domination", carries with it the threat of a West German role larger than Paris is prepared to stomach.

5. Finally, attitudes toward the United States seem to be both the chief motivator and the chief inhibitor of European defense cooperation. The ambivalence of West Europeans toward their military dependence on the US is well known, and their smoldering

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resentment currently is aggravated by suspicion that Washington and Moscow are somehow moving to settle Europe's destiny by themselves. Even such a staunch pro-American as Helmut Schmidt has sometimes argued that Washington cannot be depended upon to protect West Europe's interest and that Bonn's limited military resources should therefore be directed at West European cooperation. The rather stumbling steps West Europeans already have taken toward cooperation in weapons production have stemmed in large part from a desire -- not least on the part of European business -- to compete with giant American industries for the nearly one billion dollars worth of arms purchases the Europeans annually make from the US. Further US-West European economic disputes doubtless would give new life to such efforts.

6. But for all the grumbling and the genuine discontent, no European government -- including France under Pompidou -- actually wants to jeopardize the American role in Europe's defense at this critical juncture in East-West European affairs, or indeed in American re-evaluation of fundamental foreign policy issues. In fact, the most impressive strides in European defense cooperation have not been motivated by a desire to make Europe less dependent on the US, but have been aimed rather at helping the US Administration resist domestic pressures for a

reduction of the American military presence in Europe. Since neither the money nor the domestic support is readily available for significantly greater national defense efforts, the European NATO allies have tried to pool some of their resources to make them both more effective and more visible to the US Congress and electorate. One question which will continue to plague virtually any new proposal is "how much is too much" -- i.e., when will a greater show of European effort help the Administration fend off critics of America's European burden, and when might it be used as an excuse for reduced American efforts?

Projects

7. *Weapons Production.* Of all proposals for European defense cooperation, joint weapons production ventures have the broadest support. And so long as they are *ad hoc* arrangements for specific projects, they seem to raise fewest fundamental problems about Europe's political and military future. But such efforts have had at best very mixed success. Separate national requirements, separate research and development programs through the prototype stage, insistence on (at least) equal return for each participant's contribution to each project, and the limited market provided by even two or three West European states, all have plagued the various co-production ventures. The result

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often has been worse weapons at higher cost than could have been bought from the US or produced by a single European country. To the "Europeanists" the logic seems clear: joint ventures should start with an agreement on weapons doctrine and thus requirements, proceed to centrally managed and jointly funded research and development, and then reach the stage of contracts let on the basis of competitive bidding among industries from all participating nations, on the principle that national advantages will balance out over a whole range of weapons projects.

8. Bonn's proposal last spring that NATO's EuroGroup undertake a program along these lines won agreement in principle, but putting it into practice is likely to be more difficult.* The West Germans describe the effort as yet another attempt to demonstrate more European burden sharing, and thus more reason why Europe "deserves" continued American protection. But other Allies

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* *The EuroGroup, a caucus of all the European NATO members except France, Iceland, and Portugal, was initially a British initiative to increase Europe's voice in Alliance decisions. In recent years West Germany has been its most active member; one German objective is to transfer Bonn's unilateral "offset" of the foreign exchange costs of keeping US troops in Germany to EuroGroup "burden sharing" projects. The $1 billion European Defense Improvement Program undertaken by the EuroGroup in 1971 is a direct outgrowth of these efforts.*

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fear that such an effort by the West Europeans might instead serve to polarize the Alliance. Comments by US officials that the plan seemed fine in principle, so long as it did not work to the disadvantage of US arms sales, doubtless aggravated such fears.

9. European rivalries and resentments also will complicate efforts to implement the proposal. The West German argument that hope of increased arms business might lure France into the Euro-Group, and thus into closer cooperation with the Alliance as a whole, met with angry responses that Michel Debre was more of an arms salesman than a Defense Minister and should not be allowed "to dine *a la carte*" from the EuroGroup. And Debre, for his part, is known to be adamantly hostile to any comprehensive, multilateral cooperation on defense production which inevitably would involve coordination of strategy and thus give West Germany a voice in French military (perhaps eventually including nuclear) planning. At any rate, the EuroGroup Defense Ministers have agreed not to embark on new weapons systems without first consulting each other, and have commissioned (another) study on the subject. Whatever the success or failure of this current effort, the European governments will continue looking for ways to combine in producing more of their own weapons.

10. Two other proposals currently on the European table aim more modestly at multinational cooperation in specific industrial sectors which could have important consequences for future arms production. The European Community's Commission recently put forward a series of concrete suggestions for rationalizing the Community's aircraft industry. The Commission envisions only one aero-engine company for the enlarged Community, based on Britain's Rolls Royce and France's Snemca (the *Concorde* partners), and two or three airframe manufacturers, all of which would concentrate on the Quiet Short Take Off and Landing (QSTOL) aircraft especially suited to Europe's needs. A second project, which seems to have originated from industrial groups but with significant backing in several governments, is for the creation of a "European space firm" for space rocket development.

11. Both these projects face severe obstacles in reconciling competitive instincts among European industries as well as governments, but both presently have more going for them than the German proposal to aim, in effect, at a European defense production community. The space venture, especially -- an industry initiative to create a single West European firm out of the space divisions of individual national firms -- requires no immediate derogation of governmental authority to either a NATO

body or the European Commission. And as a primarily commercial undertaking in the communications satellite field, it avoids for the present at least the sensitive issue of defense policy coordination.

12. Both proposals, moreover, should have special appeal to French leaders who are concerned to protect France's aerospace industry from The American Challenge. The French have been particularly insistent that Western Europe go on with its own space rocket effort, rather than buying into America's post-Apollo program. The sad story of the European Launcher Development Organization's earlier piecemeal approach -- a British first stage French second, German third, with other countries carving up bits and pieces and the end result an expensive failure -- has convinced many that only a multinational industry could make further effort worth the trouble. Indeed few West German government leaders seem to think a European space program technically desirable in any case; many think post-Apollo is a better bet if only Washington will give firm guarantees that a launcher will be available for European-built satellites. But Brandt and his key advisors apparently believe a further effort at developing a specifically European launcher is politically necessary in deference to France's obsession with developing and protecting West European aerospace capabilities.

13. The present status of the project is that firms from West Germany, France, Belgium, and The Netherlands have launched the venture and British firms are believed to be interested in joining. A German has been selected as chairman of its supervisory board and a Frenchman to choose its international project team, and the choice for head office has been narrowed to Paris or Munich. The next step is to get the governments to agree to go on with a European launcher program, so the firm would have a customer.

14. If such an experiment were successful, these or other West European aerospace firms might try similar mergers in other, more immediately defense-related fields. Such an effort would of course be aided by measures now under consideration to move the Community toward economic and monetary union by 1980. Even the first steps in that direction -- harmonization of tax policies, company law, etc. -- would greatly facilitate such multinational mergers by West European industries. It could even be that -- over time -- European-wide defense consortia looking for larger markets for each product would press common weapons designs on the several governments, rather than having co-production ventures start with government decision and then go looking for industrial contractors. Thus the stimulus for multinational

modes of defense production in Western Europe may in fact come more from private industry than from governments.

15. *Nuclear Cooperation.* Most proposals for nuclear cooperation are coming from well connected non-governmental sources, such as the London-based International Institute for Strategic Studies, rather than from men with actual authority. The proposers take heart, however, from Prime Minister Heath's recurring talk over the years of pooling the British and French nuclear forces "in trust for Europe", and from President Pompidou's sometime-suggestion that Britain will have to choose between continued subservience to the US in nuclear matters or cooperation instead with France on a European capability and -- more recently -- that Washington's desire for rapprochement with Moscow means that Britain and France must look to the nuclear defense of Western Europe.

16. As with proposals for co-production of conventional weapons, the technical and economic case seems fairly clear. Pooling France's superiority in missiles with Britain's lead in thermonuclear warheads and re-entry systems would save money for both countries and give each a better chance of preserving some semblance of nuclear capability into the 1980s. Coordination of patrol cycles and refit schedules for French and British

ballistic missile submarines would enable the combined forces to keep more targets covered at any one time than either could do alone.

17. And there are other arguments besides efficiency and economy. French nuclear coordination with Britain, and Britain's in turn with NATO, would be a French step back into the Alliance fold. Most of the proposals envision a role for Europe's non-nuclear states somewhat greater than they now have in NATO's nuclear affairs -- consultation on future British and French weapons development in addition to the equivalent of their present planning role in deployment and targeting of NATO's deterrent -- and the added prospect of becoming heirs to the combined force when and if there is a European government to take it over. Even short of that millenium, the consultative arrangement might strengthen Europe's voice in NATO's nuclear planning and perhaps even on US positions in future strategic arms limitations talks with the Soviet Union. Finally -- a thought which must have crossed British minds as well as French -- Anglo-French nuclear cooperation is one of the few ways available to demonstrate that West Germany's money does not buy equality in everything.

18. The complete package of current proposals -- which would amount to a European nuclear planning group to consult on

the use of the combined British and French deterrents -- is almost certainly out of the question for some years to come. Both the French and the Germans, for quite different reasons, are appalled by the idea. Despite ruminations on the subject by key French officials (possibly for British consumption) Paris certainly is not ready for such a radical departure from its treasured nuclear independence. Indeed Paris now is disposed not even to deploy its tactical nuclear missile, the *Pluton*, in West Germany because, even though the missile would be entirely French owned and controlled, Bonn would insist on some degree of consultation on, for instance, stockpiling and targeting. And even a serious proposal for European nuclear cooperation would put Bonn in a terrible dilemma. It would not want either to accept obvious inequality in a new European venture, or to alarm its Eastern or Western neighbors with the spectre of a German finger on the nuclear trigger. Perhaps most important of all, none of the European allies would favor even the appearance of a European nuclear arrangement which might seem to let Washington off the deterrent hook. Most feel that any change in Western nuclear arrangements would almost certainly lead to a situation of both less political stability and less military security for the allies.

19. Individual aspects of the package, however, might have better near term prospects. Key members of both the Pompidou and Heath governments have thrown out suggestions of some sort of exchanges between the two, but neither has ever found the other just then willing to respond. Both sometimes give the impression of wanting the other to become the *demandeur* on this sensitive subject. Meanwhile, French nuclear doctrine already has come more in line with NATO thinking than was the case in de Gaulle's day and Paris is likely to be more sympathetic to NATO's flexible response theories (albeit under another name) when it has its own tactical nuclear weapons. Moreover, French military leaders have resumed little-publicized "contingency" consultations on nuclear matters with NATO officials. If Pompidou does well in the French legislative elections scheduled for spring 1973, either he or Heath might feel the time was ripe for some initially modest but well publicized initiative on Anglo-French nuclear cooperation. First steps might be an agreement on regular consultations (probably well short of "coordination") or some exchange of technical information (probably well short of co-production). [redacted] 25X1

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20. But perhaps the most significant building block of European nuclear cooperation will have nothing to do with new institutions or arrangements. All the European allies are likely to be consulting with great earnestness on nuclear issues, bilaterally and in groups, as they attempt to protect their interests in future US-USSR Strategic Arms Limitation Talks. This will be especially true in the next round of SALT or MBFR, where America's forward based systems -- i.e., those located in Europe -- probably will be on the agenda for reductions. This activity, and an emerging sense of common interests vis-a-vis both the superpowers, could do more to produce common positions on nuclear issues than any more frontal attack on the problem of European nuclear cooperation.

21. *A European Defense Organization?* West German officials have come closest to putting all these pieces together, in a study paper prepared jointly by the Foreign and Defense Ministries. The study recommends giving the EuroGroup a permanent Secretariat, which would be charged with coordination of the European NATO states' positions on SALT, on NATO burden sharing, on shortfalls in their military commitments to NATO, and on the upcoming Conference on Security and Cooperation in Europe. The Secretariat further would oversee development of the common

procurement and command principles which would make possible European-wide cooperation on weapons production, and would facilitate coordination of training and logistics practices. The study also suggests a multinational mobile force as a distinct European component of the allied mobile force. On the political level, a committee of European State Secretaries (including both Foreign and Defense Ministry personages) would meet at least twice a year, while mixed groups of experts from both ministries would regularly discuss European integration, as well as security and defense questions.

22. The paper specifically mentions "deliberate and regular" attempts to inform the US public and Congress about the goals and extent of European defense cooperation, and cites the lack of additional resources for defense as reason for pooling those which can be mustered. Significantly, it excludes any attempt to change NATO's nuclear arrangements -- there would be no European nuclear planning group or caucus within the Alliance, and SACEUR would continue to be an American. But while delaying US troop reductions is the proposal's first objective, preparing for their eventual inevitability is the second. The expanded EuroGroup is advertised as a way of tempting France back into

cooperation with the Alliance, and it would be "transformed into a European defense organization or replaced by such" as soon as France was ready to join.

23. National rivalries, fear of unsettling the American tie, and simple inertia are likely to make this package, as a package, a non-starter for some time to come. West German government leaders already have floated parts of it -- the Euro-Group undertaking on weapons production noted above and the EuroGroup Secretariat, which so far has had a very cool response from others who fear "polarizing" the Alliance.

24. In a less dramatic way, however, a European defense forum may take shape over the next few years. The EuroGroup is steadily expanding the list of subjects it discusses. Working groups already have made progress on a variety of potential joint defense support functions -- usually in such unglamorous but necessary areas as standardization of medical supplies, blood banks, and storage facilities -- and will continue hammering away at more sensitive issues such as arms procurement and military training.

25. And, as is the case with nuclear matters, the new era in Soviet-American affairs is impelling West Europeans to talk

more seriously with each other about their security interests, and to join forces in pressing their ideas on Washington. This already has happened in several aspects of preparations for the Conference on Security and Cooperation in Europe, where European Community political consultations have produced agreed positions quite at variance with American wishes on both procedural and substantive questions. If eventual reductions in the number of American troops in Europe force revisions in NATO strategy, the West European allies are likely to be more united in arguing their preferences than, for instance, was the case at the time of the Washington-imposed switch from "tripwire" to "flexible response".

26. As the whole complex of security conferring, force reduction negotiating, and strategic arms limitation talking takes shape, Defense Ministers and their officials increasingly will be drawn into European Community political consultations, while diplomats in turn will join defense officials in EuroGroup discussions. The result may be just that European defense forum or caucus which no one will want to call by that name. The purpose will be to influence NATO (i.e., American) positions, not to put the allies in any kind of open disagreement with their protector. But the development of a sense of common interests

and some agreement on joint needs could nonetheless be significant for the future of European defense cooperation.

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27. Pompidou has been quoted as saying that an American military disengagement from Europe "inevitably" will begin within the next two years, and that only then will the other West Europeans -- and especially West Germany -- be ready to accept French terms for a European defense organization. The timing and circumstances of any US "disengagement" obviously would have a lot to do with the European response, and even if they were disposed to military cooperation among themselves the French role almost certainly would not be so dominating as Pompidou seemed to imply. But he probably was right that only a fairly dramatic change in the US role in Europe's defense would spur the allies into dramatically new arrangements among themselves.

28, The short-term outlook, then, is for a bits-and-pieces approach to the problem of European defense cooperation which may on the surface look like more of the same. Even progress along familiar lines will not be consistent and the picture will

not be tidy. We are likely to see an expansion of more or less successful bilateral and multilateral ventures in weapons production, training, and consultations, most (but not all) of which will fall within the framework of the European Community or NATO's EuroGroup, which themselves will continue to have different memberships. The West Germans, who have most to lose from any falling apart of the Alliance, will continue to be especially fertile in new projects which might both impress the US Congress and attract the French. Paris, on the other hand, will not want to be excluded from any successful-looking West European ventures, but will continue trying to tempt Bonn instead into bilateral military arrangements which would maximize French influence on the Germans.

29. The sum of all this rather confusing activity may, however, one day prove to have been greater than all its parts. Intensified European consultations on security matters, the need to reconcile national differences in order to enhance European influence on the US during the latter's negotiations with the Soviet Union, harmonization of some logistics practices, attempts to form multinational defense industries along with even slow

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progress toward Community economic union -- all are important building blocks which would make it easier to form a European Defense Community if the necessity were once recognized and the political will should exist.

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